

108TH CONGRESS
2D SESSION

H. R. 5113

To prevent abuse of the special allowance subsidies under the Federal Family Education Loan Program.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2004

Mr. KILDEE (for himself, Mr. VAN HOLLEN, and Mr. GEORGE MILLER of California) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To prevent abuse of the special allowance subsidies under the Federal Family Education Loan Program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Emergency Loan
5 Abuse Prevention Act of 2004”.

6 **SEC. 2. TERMINATION OF EXCESSIVE ALLOWANCES.**

7 Section 438(b)(2)(B) of the Higher Education Act of
8 1965 (20 U.S.C. 1087–1(b)(2)(B)) is amended by adding
9 at the end the following new clause:

10 “(v) This subparagraph shall not apply to—

1 “(I) any loan made or purchased after the
2 date of enactment of the Emergency Loan
3 Abuse Prevention Act of 2004; or

4 “(II) any loan made or purchased before
5 such date of enactment with funds described in
6 the first or second sentence of clause (i) if—

7 “(aa) the obligation described in the
8 first such sentence has, after such date of
9 enactment, matured, or been retired or
10 defeased; or

11 “(bb) the maturity date, the date of
12 defeasement, or the date of retirement of
13 the obligation described in the first such
14 sentence has, after such date of enactment,
15 been extended.”.

16 **SEC. 3. EXPENDITURE OF SAVINGS ON INCREASED PELL**
17 **GRANTS.**

18 From any amounts in the Treasury not otherwise ap-
19 propriated, there is appropriated for each of the fiscal
20 years beginning after the date of enactment of this Act
21 an additional amount for the purposes of increasing the
22 maximum Pell grant in each Act providing annual appro-
23 priations for the Pell grant program under subpart 1 of
24 part A of title IV of the Higher Education Act of 1965
25 (20 U.S.C. 1070a) that is equal to the amount that is

1 determined annually by the Congressional Budget Office
2 to be the amount by which expenditures under section 438
3 of such Act (20 U.S.C. 1087–1) are reduced for such fiscal
4 year by the enactment of section 2 of this Act.

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